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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re:	:	
	:	Chapter 11
DELPHI CORPORATION, <u>et al.</u> ,	:	
	:	Case No. 05-44481 (RDD)
Debtors.	:	Jointly Administered
	X	

**REPLY SUPPORTING UNITED TELEPHONE COMPANY OF OHIO'S STATEMENT
OF CURE AMOUNT WITH RESPECT TO EXECUTORY CONTRACT TO BE
ASSUMED OR ASSUMED AND ASSIGNED UNDER PLAN OF REORGANIZATION**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

United Telephone Company of Ohio ("United"), submits this Reply in support of its Statement of Cure Amount with Respect to Executory Contract be Assumed or Assumed and Assigned under Plan of Reorganization (the "Statement"), filed by United on March 6, 2008. In further support of the Statement and in opposition to the Debtors' (I) Omnibus Objection Pursuant to Confirmation Order, 11 U.S.C. §§ 105(a), 365 and Fed. R. Bankr. P. 9014 Regarding Cure Proposals Submitted Under Article 8.2(b) of Debtors' Plan of Reorganization and (II) Request for Order Provisionally Allowing Certain Cure Proposals (the "Omnibus 8.2(b) Cure

Objection”), filed by the above-captioned debtors (the “Debtors”) on April 24, 2008. In support of its Reply, United states as follows:

United’s Cure Claim

1. In its Statement, United set forth in detail the calculation of and bases for its claim in the amount of \$449,492.14 (the “Cure Claim”) for pre- and post-petition defaults under the United Contracts.¹ In support of the Cure Claim, United attached to the Statement (i) the United Contracts (Exhibits 1-3 to the Statement), (ii) a summary of the defaults under the United Contracts broken out by account number (Exhibit 4 to the Statement), and (iii) copies of the invoices demonstrating the amounts comprising the post-petition portion of the Cure Claim (Exhibit 5 to the Statement). The Debtors previously stipulated to the amount of the pre-petition portion of the Cure Claim in a Stipulation and Agreed Order entered by this Court on April 9, 2008.

2. Subsequent to submission of the Statement on March 6, 2008, United has received partial payment on account of the post-petition portion of the Cure Claim and has incurred additional unpaid fees under the United Contracts, both of which modify the amount of the Cure Claim. As of May 8, 2008, the modified amount of the post-petition component of the Cure Claim is \$79,365.65 (reduced from \$183,442.14). Attached hereto as Exhibit A is a revised version of the summary attached as Exhibit 4 to the Statement detailing the revised amount of the Cure Claim. Copies of the invoices demonstrating the fees accrued and unpaid since the submission of Statement are attached hereto as Exhibit B.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Statement.

The Debtors' Omnibus 8.2(b) Cure Objection

3. In the Omnibus 8.2(b) Cure Objection, the Debtors object to the post-petition portion of United's Cure Claim and seek to expunge this portion of the Cure Claim on the basis that it is inconsistent with the Debtors' books and records. The Debtors do not specify the reason(s) United's Cure Claim is inconsistent with the Debtors' books and records or provide any details regarding the alleged inconsistency.

4. The Debtors do not object to the portion of the Cure Claim related to the pre-petition period, which the Debtors stipulated to in a Stipulation and Order entered on April 9, 2008. The Debtors propose to provisionally allow United's Cure Claim in the reduced amount of \$266,050.

United's Cure Claim Should be Allowed in the Full, Modified Amount

5. As set forth in the Statement, the Debtors are obligated under the Utilities Order entered by this Court, as well as Sections 365, 366, 503 and 507 of the Bankruptcy Code, to pay on a timely basis all undisputed invoices for post-petition utility services provided by United. Utilities Order, ¶2. United provided telecommunications services to the Debtors prior to the Petition Date, and continued to provide similar services to the Debtors thereafter, through and including as of the date of this Reply. United has not received any disputes of its invoices for post-petition services rendered to the Debtors.

6. Notwithstanding this obligation, the Debtors have failed to pay amounts due and owing for services provided by United from the Petition Date through the date of this Statement in the amount of \$79,365.65. The Statement, including exhibits, and Exhibits A and B hereto demonstrate that the Debtors have not paid all post-petition amounts due under the United Contracts. The Debtors have not provided any information supporting their assertion that these

amounts are not due and owing to United under the United Contracts. Accordingly, United's Cure Claim should be allowed in full, as modified, in the amount of \$345,415.65, and the Debtors should be required to pay this amount pursuant to Section 365 of the Bankruptcy Code and the Plan as a condition precedent to assumption of the United Contracts and the continuation of services provided thereunder.

WHEREFORE, United respectfully requests that the Court deny the Omnibus 8.2(b) Cure Objection and order the Debtors to pay United on the Effective Date of the Plan an amount equal to \$345,415.65, plus any additional amounts that accrue and are not paid between the date of this Reply and the date United's Cure Claim is paid, to cure the defaults under the United Contracts as a condition to assumption thereof, pursuant to Section 365 of the Bankruptcy Code.

Dated: New York, New York
May 22, 2008

Respectfully submitted
BRYAN CAVE LLP

/s/ Michelle McMahon

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